

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:2986

ANSWERED ON:06.12.2007

IMPOSITION OF EXCISE DUTY ON NAPHTHA

Agarwal Shri Dharendra;Renge Patil Shri Tukaram Ganpatrao

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether imposition of excise duty on has resulted in a rise in the price of Naphtha;
- (b) if so, the effect thereof on the industrial sector;
- (c) whether discussions have been held with the concerned Departments in this regard;and
- (d) if so, the outcome thereof?

Answer

MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA)

(a) & (b): Naphtha is a deregulated product and its prices are determined by the Public Sector Oil Marketing Companies (OMCs) in line with price movements in international market. At present 16% excise duty is levied on Naphtha with 3% Education Cess (NIL for fertilizer) thereon, which is recovered from the customers.

(c) : No, Sir.

(d): Do not arise in view of (c) above.